

§ 1653.22 Service of legal process.

The Thrift Savings Plan will only review legal process for the enforcement of a participant's legal obligations to provide child support or make alimony payments upon receipt of that process. Receipt by an employing agency or any other office of the government shall not constitute receipt by the Thrift Savings Plan. Legal process should be submitted to the Thrift Savings Plan Recordkeeper at the following address: TSP Service Office, National Finance Center, P.O. Box 61500, New Orleans, LA 70161-1500. Receipt by the recordkeeper will be considered receipt by the Thrift Savings Plan.

§ 1653.23 Requirements for “qualifying” legal process.

(a) The TSP will only honor legal process if it meets each requirement of paragraph (b) of this section and one of the requirements of paragraph (c) of this section.

(b) Legal process must meet each of the following requirements in order to be qualifying:

(1) The legal process must be a writ, order, summons, or other similar process in the nature of a garnishment that is issued by:

(i) a court or competent jurisdiction within any State, the District of Columbia, territory, or possession of the United States, or an Indian court; or

(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor such process; or

(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; or

(iv) A State agency authorized to issue income withholding notices pursuant to State or local law or pursuant to the requirements of 42 U.S.C. 666(b).

(2) The legal process must “expressly relate” to the Thrift Savings Plan account of a current participant. This means that it must express a clear intent to deal with the TSP as distinct from other Federal Government retirement benefits or non-Federal retirement benefits.

(3) The legal process must demonstrate that its purpose is to enforce

a current legal obligation of the participant to provide child support or make alimony payments.

(c) In addition to the requirements of paragraph (b) of this section, legal process also must meet one of the following requirements:

(1) The legal process must require the Board to pay a stated dollar amount from a participant's TSP account; or

(2) The legal process must require the Board to freeze the participant's account in anticipation of an order to pay over the account.

(d) The TSP will presume the competence or authority of any of the entities described in paragraph (b)(1) of this section if presented with a document from that entity that appears regular on its face.

(e) Notwithstanding paragraphs (a), (b), (c) and (d) of this section, the following legal process will be considered nonqualifying:

(1) Legal process relating to a TSP account that contains only non-vested money, unless the money will become vested within 90 days of the date of receipt of the order if the participant were to remain in Federal service;

(2) Legal process that requires an amount to be paid at the future date; or

(3) Legal process that requires a series of payments.

§ 1653.24 Processing legal process.

(a) Upon receipt of a document which purports to be qualifying legal process, the participant's account will be frozen. After an account is frozen, no withdrawal or loans will be allowed until the account is unfrozen. All other account activity, including contributions, adjustments, and interfund transfers, will be permitted.

(b) The following documents will not be treated as purporting to be qualifying legal process. Therefore, accounts of participants to whom such orders relate will not be frozen and these documents will not be reviewed by the Board:

(1) A document that pertains to a TSP account that has been closed.

(2) A document that does not indicate that it relates either to the TSP or to the participant's retirement benefits.

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(3) A document that does not appear to have been issued by a proper authority as described in § 1653.23(b)(1).

(c) The Board will review a document that purports to be qualifying legal process to determine whether it is complete.

(d) If the Board determines that the document is incomplete, it will request a complete copy of the document from the party that submitted the document. If a complete copy is not received by the Board within 30 days of the Board's request, the participant's account will be unfrozen and no further action will be taken by the Board with respect to the document.

(e) Upon receipt of a complete document, the Board will review it to determine whether it is qualifying legal process.

(f) The Board will advise the submitting party and the TSP participant of the determination. The Board's decision letter will contain the following information:

(1) A statement of the applicable statute and regulations.

(2) A decision regarding whether the document is qualifying legal process, as defined in § 1653.23 (b) and (c).

(3) If the document is determined to be qualifying legal process, the effect that compliance with the terms of the document will have on the participant's account.

(4) If the order requires payment, the amount that will be paid pursuant to the qualifying legal process; and to whom the payment will be made.

(5) If the order requires payment, tax reporting and withholding information will be sent to the party as to whom the payment will be reported to the Internal Revenue Service as income.

(g) The Board's decision constitutes the final administrative action by the Board. There is no appeal right within the Board.

(h) An account frozen under this section will be unfrozen:

(1) If a complete document has not been received within 30 days from the date of a request described in paragraph (d) of this section, upon the expiration of the 30-day period;

(2) If the account was frozen pursuant to legal process requiring the Board to Freeze the participant's account in an-

ticipation of an order to pay over the account, the account will be unfrozen upon the occurrence of any one of the following events:

(i) As soon as practicable after receipt of a complete copy of an order vacating or superseding such order (unless the order vacating or superseding the preliminary order itself warrants placing a freeze on the account); or

(ii) Upon payment pursuant to the order to pay over the account, if the Board determines that the order is qualifying; or

(iii) As soon as practicable after the Board issues a decision letter informing the parties that the order to pay over the account is not qualifying legal process requiring payment from the participant's account; or

(3) If the account was frozen upon receipt of a document that purports to be legal process requiring payment from the participant's account, the account will be unfrozen upon the occurrence of any one of the following events:

(i) Upon payment pursuant to the document, if the Board determines that the document is qualifying legal process requiring payment from the participant's account; or

(ii) As soon as practicable after the Board issues its decision letter informing the parties that the document is not qualifying legal process requiring payment from the participant's account.

§ 1653.25 Payment pursuant to qualifying legal process.

(a) Payment will be made pursuant to qualifying legal process after the Board's decision has been issued and the 30-day tax withholding notification period has ended. The taxpayer may receive the payment sooner by waiving the tax notification period.

(b) A payment made pursuant to qualifying legal process will be made only to the persons or entities specified in the process. If payment is to be made to the spouse or former spouse of the participant, he or she may request that the TSP transfer all or a portion of his or her payment to an Individual Retirement Arrangement (IRA) or other eligible retirement plan. Such a request must be made by filing Form